

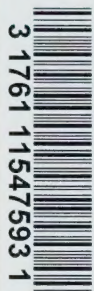
Update
on

DISENTANGLEMENT

BETTER SERVICES, SIMPLER GOVERNMENT

Phase One Issue 3

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Province and municipalities reach historic Disentanglement pact



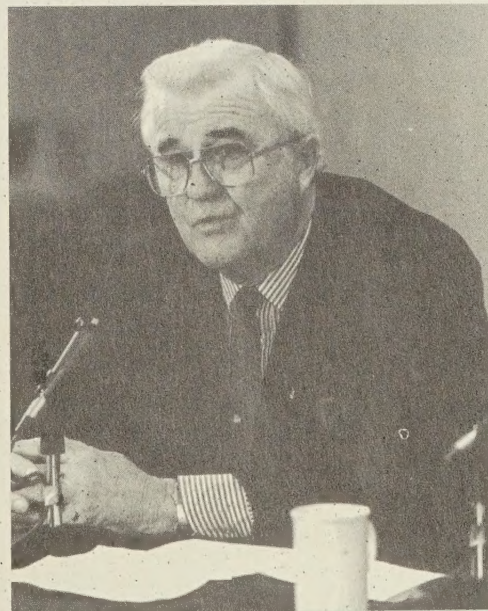
John Harrison



Dave Cooke



Marion Boyd



Joe Mavrinac

The Ontario government and the Association of Municipalities of Ontario (AMO) have drafted an historic agreement which could lead to more accountable and effective government for all.

AMO will tour the province in late February and March seeking municipal support for the agreement through a series of regional information/consultation sessions.

The draft agreement, reached January 21, calls for the provincial government to pay 100 per cent of the cost of general welfare assistance allowances – the cheques that actually go to the clients. To help offset this increased provincial expenditure, municipalities would assume funding responsibilities for property assessment services and certain provincial highways in southern Ontario.

At a joint news conference on January 22, Municipal Affairs Minister Dave Cooke and former AMO President John Harrison said the draft agreement, which is now being circulated to all municipalities, is a sign of good will and partnership between the two levels of government. Mr. Harrison and Mr. Cooke, who co-chaired the Disentanglement Steering Committee, said the trade of responsibilities set out in the draft agreement is aimed at achieving more accountable, efficient and effective government.

The overlap, duplication and confusion that results from the province and municipalities cost-sharing more than 100 services and programs is no longer acceptable, the co-chairs said. Disentangling these responsibilities will help people understand who provides what services and who can be held accountable for them. Disentanglement also addresses the questions of which level of government should set policies for a particular program or service, which is best suited to deliver it and which should fund it and how.

(Continued on page 4)

Disentanglement: The process of changing and clarifying provincial and municipal roles and responsibilities in providing services to the public.

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Steering Committee members fielding questions from the media included, from foreground, right to left, David Christopherson, Marion Boyd, Dave Cooke, John Harrison and Joe Mavrinac.

What's in the agreement

Improved accountability and a commitment to work together

General Welfare Allowances

The provincial government will cover 100 per cent of the general welfare allowances (GWA) paid to people on social assistance. Cities, counties and regional governments now pay about 20 per cent. (It is estimated that without the Disentanglement agreement, the municipal contribution would hit at least \$387 million by 1994.) The agreement will change neither the way welfare services are delivered, nor the people who deliver them. People who receive welfare will continue to receive the same assistance, from the same people, in the same way they do now.

As part of the agreement, municipalities that deliver welfare will sign interim service agreements intended to protect current levels of service for items and services provided under GWA (special assistance, supplementary aids and hostels, for example). Administrative costs will continue to be cost-shared by the province and municipalities. These agreements would remain in effect until the provincial government proclaims legislation for broader social assistance reform. The province will consult municipalities on social assistance delivery options before introducing new social assistance legislation.

Roads

About 2,200 kilometres of what are now classified as provincial highways will become the responsibility of the counties and regions through which they run. For the most part, these are highways that, because of the opening of new multi-lane freeways, are now being used mainly as local roads. For example, much of Highway 2 in eastern Ontario is used only for local travel, while through traffic is carried by Highway 401. Provincial

savings as a result of this transfer of responsibility are estimated at about \$40 million a year. Although funding arrangements for local roads were discussed earlier in the Disentanglement process, the draft agreement does not include any change to those arrangements.

Property Assessment Services

Municipalities will pay for property assessment services currently funded by the Ontario Ministry of Revenue. At the same time, municipalities will take control of the delivery of the services. That's in keeping with the Disentanglement principle that decision-making for service delivery should be the responsibility of the level of government that fully finances the service.

The government will establish a Schedule IV agency that will deliver property assessment services. Under a Schedule IV agency, employees remain civil servants, and the terms and conditions of their employment continue to be determined by the collective agreement with the Ontario Public Service Employees Union and/or Ontario Public Service guidelines and directives. The government plans to consult OPSEU and affected employees as the legislation setting up the agency is developed. The municipal sector would hold a majority of seats on the agency's board of directors. The province will continue to set over-all policy on property assessment. Provincial savings as a result of this change are estimated at about \$135 million.

Unconditional Grants to Municipalities

The annual unconditional provincial grants to municipalities would be reduced by \$165 million,

effective January 1, 1994. The grants will be adjusted municipality by municipality to ensure that no municipality will have to raise its taxes because of Disentanglement.

NON-MONETARY ELEMENTS

Police Services Budgets

The Police Services Act will be amended to formalize the responsibilities of police services boards with respect to municipal budgeting. A voluntary local mediation process will be established for budget items on which the board and the municipal council cannot agree, but council will make the final decision on the budget. A police services board will not be able to appeal its budget to the Ontario Civilian Commission on Policing Services, but it will be able to ask for a hearing on the question of adequacy if it feels it cannot provide adequate police services as a result of council's decision. The Commission will continue to have the right to make binding orders and to set a deadline for implementation. Municipal councils will have the flexibility to determine the timetable for phasing in the order. However, the Commission cannot require a municipality to adjust its budget mid-year unless public safety is at risk.

Joint Planning

As part of the agreement, the province and municipalities have agreed to hold an annual joint planning meeting of key Cabinet members and AMO representatives to discuss matters of interest to the municipal governments. For discussion at that meeting, the Ministry of Municipal Affairs will undertake an analysis of the cumulative impact on municipalities of provincial policy and program changes made in the previous year.

Fair treatment of employees tops Disentanglement priorities

Very early in the Disentanglement process, the Steering Committee determined that one of its top priorities would be the fair treatment of affected employees. The Workforce Impact Committee was established, including provincial and municipal labour and management representatives.

One of the committee's tasks was to draft a set of principles to guide workforce impact considerations throughout the Disentanglement review. Initially, committee members thought they could find an existing model for dealing with the sort of workforce changes being considered under Disentanglement.

Research showed, though, that they were breaking new ground and would have to develop principles from scratch. They believe the principles they have developed will be useful to other organizations involved in change.

In analysing the impacts of Disentanglement on employees, the Workforce Impact Committee will not interfere with normal labour-management relations. For example, the options being considered with respect to property assessment would not lead to a change of employer or bargaining agent, so any changes to working conditions would be negotiated by the Ontario Public Service Employees' Union and Management Board of Cabinet under the current agreement.

Committee Chair Don Collins presented the principles to the Steering Committee at the end of October.

Here are the core principles the Workforce Impact Committee is using to guide its work:

FAIR AND EQUITABLE TREATMENT OF EMPLOYEES

Consultation

- Ensure that labour/management has input, through the Workforce Impact Committee and Expert Panels, to the deliberations, recommendations and implementation strategies, that emerge from Disentanglement.

Information Sharing

- Provide all employees with information regarding Disentanglement and its implications, at regular intervals.

Provide in writing, advance notice (120 days or superior collective agreement stipulation) to affected employees of the following:

- Employee rights; and
- Employment options.

Statutory Rights, Collective and other Legal Agreements

- Adhere to existing statutes and agreements.

Employment Equity

- Ensure programs are maintained or enhanced.

Pay Equity

- Ensure programs are maintained or enhanced.

JOB SECURITY AND SALARY PROTECTION

- Commit to no job loss as a result of Disentanglement.
- Guarantee of no salary reduction for all employees at the time of Disentanglement.
- Guarantee protection of benefits and pensions.
- Ensure that provisions are in place for job transfers, early retirement and voluntary termination.
- Ensure that where jobs change as a result of Disentanglement, new positions will be included in the bargaining unit, where one exists.
- Ensure that written agreements are in place regarding seniority, promotions, transfers, job eliminations or changes in job functions.

INVESTMENT IN PEOPLE

- Where there are job changes as a result of Disentanglement, individual skills, abilities and competencies will be recognized.
- Ensure that funds are identified and allocated

for training, re-skilling and overall development of affected human resources.

- Ensure that career planning, counselling and relocation assistance are provided to all affected employees.
- Stipulate that there will be no reduction in salary during training period resulting from Disentanglement.

PARTNERSHIP

The employer and employee representatives will work closely and in a spirit of co-operation and negotiation to develop workforce impact strategies.

AMO information/ consultation sessions

The Association of Municipalities of Ontario will hold information/consultation meetings across the province in February and March. Tentative locations include:

Ottawa
Kingston
Cornwall
Pembroke
Toronto
Hamilton
Orillia
Chatham

Waterloo
Owen Sound
Thunder Bay
Timmins
Sault Ste. Marie
Sudbury
Kenora

AMO will send a notice to all municipalities listing dates and exact locations. These consultation sessions are intended specifically for the municipal sector. Anyone else with questions or comments on the agreement can contact the Provincial-Local Relations Secretariat by mail, fax or telephone.

THE FINANCIAL PICTURE – NEW ROLES AND RESPONSIBILITIES

Costs being transferred from municipalities to the Province:

Municipalities' 20 per cent funding of General Welfare Allowances, at a negotiated value of \$340 million

\$ 340 M

Costs being transferred from the Province to the municipalities:

Property assessment services

135 M

Responsibility for certain highways actually serving primarily local traffic

40 M

Reduction in provincial unconditional grants to municipalities

165 M

\$340 M

Net shift in funding responsibilities at the time of the agreement

\$0

Province and municipalities reach historic Disentanglement pact... (Continued from page 1)



Clockwise from upper left John Harrison, Dave Cooke, Marion Boyd and Joe Mavrinac

Municipalities now pay about 20 per cent of the cost of general welfare assistance allowances, which is estimated to be at least \$350 million in 1992, although the actual year-end figure is not yet known. While the funding arrangements will change, people who receive welfare will continue to receive the same level of service, from the same people, in the same way they do now.

In return, municipalities would pay for property assessment services the province currently funds. The government would establish a Schedule IV agency to deliver property assessment services. Under a Schedule IV agency, the employees would remain civil servants, and the terms and conditions of their employment continue to be determined by the collective agreement with the Ontario Public Service Employees Union and/or Ontario Public Service guidelines and directives. The government plans to consult OPSEU and affected employees as the legislation setting up the agency is developed.

"For many years, virtually everyone with an interest in social assistance programs has agreed that the province should pay 100 per cent of the cost of general welfare assistance. Now we're doing it," said Community and Social Services Minister Marion Boyd.

Under the agreement, counties and regions will become responsible for the upkeep of some 2,200 kilometres of provincial highways that are more appropriately under municipal jurisdiction because they carry predominantly local traffic.

The draft agreement also includes measures that would lead to an improved budgeting process for municipal policing services which will give municipal councils more flexibility in dealing with police budgets while ensuring adequate and effective policing services across the province. At the same time, the provincial government would retain the right to set province-wide policing standards and to ensure those standards are maintained.

Because the cost of the new responsibilities being assumed by municipalities would be lower than the new welfare costs being assumed by the province, unconditional grants would also be reduced. This would ensure that the trade-off of funding responsibilities is equal for municipalities and the province at the time of the trade.

"This is a very important agreement for municipalities," Mr. Harrison said. "It means we will be able to budget for local priorities without having to worry about massive welfare expenditures over which we have no control."

Neither the province nor any individual municipality will have to raise taxes as a result of the Disentanglement agreement.

Mr. Cooke said this exchange of responsibilities should mean savings for the property taxpayer. "While AMO agreed to take on \$340 million in new costs in 1994, we project that the municipal contribution to welfare allowances will hit about \$387 million by the end of 1993," he said. "That translates into a saving of at least \$47 million for property taxpayers in 1994."

The Disentanglement Steering Committee first met in early 1992. In addition to Mr. Cooke and

Mr. Harrison, its members include Community and Social Services Minister Marion Boyd, Environment Minister Ruth Grier, Treasurer Floyd Laughren, Transportation Minister Gilles Pouliot, Education Minister Tony Silipo, and Correctional Services Minister David Christopherson, who was parliamentary assistant to the Treasurer when he joined the committee. Municipal members include Metro Toronto Councillor Scott Cavalier, Kingston Mayor Helen Cooper, Onondaga Township Reeve Mabel Dougherty, Kirkland Lake Mayor and AMO President Joe Mavrinac, and Waterloo Regional Chair Ken Seiling.

"I am very pleased at what municipalities and the provincial government have been able to accomplish in less than a year. It is a tremendous and historic achievement," Mr. Cooke said.

A coordinating committee of senior provincial and municipal staff supported the Steering Committee during the negotiations, and a Workforce Impact Committee, chaired by Ontario Federation of Labour representative Don Collins, identified and analyzed how employees might be affected by any change coming out of Disentanglement.

The Steering Committee also set up expert panels last spring to look at roads, transit, welfare, property assessment and police services budgets. The panels, which included representatives from unions and community and client groups as well as provincial and municipal officials, developed options and consulted widely among groups with an interest in these areas before making recommendations to the Steering Committee. The draft agreement is clearly the result of the work of many dedicated people.

Before signing the final agreement, AMO will seek municipal support at a series of information sessions across the province. The final agreement would then be signed in April, and implemented January 1, 1994.

Once AMO has finished its consultations, and phase one has been completed, the Steering Committee may begin looking at other shared programs which could be considered for future Disentanglement.

If you would like a copy of the complete draft agreement or the expert panel reports, please call the Provincial-Local Relations Secretariat at (416) 585-7320.

DISENTANGLEMENT

For further information on the provincial-municipal Disentanglement process, to acquire extra copies of this newsletter, to correct your address, or to be added to our mailing list, please contact:

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